

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

<b>IN THE MATTER OF A TECHNICAL REVIEW</b>	)	
<b>CONFERENCE OF POTENTIAL RATE DESIGNS</b>	)	
<b>FOR CONSIDERATION BY REGULATED</b>	)	<b>PSC DOCKET NO. 17-0747</b>
<b>UTILITIES AND ELECTRIC SUPPLIERS</b>	)	
<b>(FILED JULY 18, 2017)</b>	)	

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**PETITION OF THE DELAWARE PUBLIC SERVICE COMMISSION STAFF  
SEEKING COMMISSION AUTHORITY TO VACATE THE REQUIREMENT  
FOR AN INFORMAL TECHNICAL REVIEW CONFERENCE OF VARIOUS  
POTENTIAL RATE DESIGN APPROACHES AND TO CLOSE THE DOCKET.**

Pursuant to the general responsibilities assigned by the Public Service Commission (“the Commission”), the PSC Staff (“Staff”) respectfully submits this petition (“Petition”) requesting the Commission to vacate its previous authorization provided in PSC Order No. 9094 authorizing Staffs request to conduct an informal, technical review conference of various potential rate designs that could be considered for use by regulated and unregulated utilities. While Staff’s original presumption suggested significant utility interest in reviewing various rate designs, the facts have not demonstrated such interest. Given limited utility interest in this requirement, coupled with prior objection discussed during the Commission’s July 27, 2017 review, the Staff respectfully requests the Commission vacate it prior order conveying approval to conduct a technical rate design conference and close the docket.

**DOCKET REVIEW**

1. Based on Staff’s review of actions being taken in other jurisdictions to examine various rate designs<sup>1</sup>, and based on the interest in this topic at the MACRUC Educational Conference in June of 2017, Staff filed a petition with the Commission on July 18, 2017, requesting the Commission to authorize a technical review conference in Delaware as an

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<sup>1</sup> Staff Petition of July 18, 2017, paragraphs 7-10  
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opportunity to observe what Delaware utilities were thinking in terms of potential new rate designs. Staff had been working informally with Delmarva Power on a potential new demand rate design, but deferred to Delmarva for any official rate design filing request.

2. On July 27, 2017 the Commission heard arguments from various interested parties at their regularly scheduled meeting. Staff indicated their belief that such a conference could provide the Commission with valuable insights into potential new utility rate designs. The Delaware Division of the Public Advocate did not think such a proceeding was necessary and described it as “a solution in search of a problem.”<sup>2</sup> Delmarva Power indicated that the majority of States have probably adopted some form of alternative rate design and they agreed with Staff’s request for the need to review.<sup>3</sup>

3. Prior to commencing the planning for what could be a very costly conference in Delaware, Staff elected to query the major utilities and a few active energy parties to determine their level of interest in a technical rate design conference. On September 29, the Executive Director sent an e-mail (**Exhibit A**) informing the various addressees of the opportunity and questioning whether they would be actively participating and perhaps providing their proposals for appropriate rate designs. The Executive Director requested a response on or before October 13, 2017.

4. As a result of that e-mail request, one utility expressed interest in actively participating, one utility was not interested, the Public Advocate suggested that we include many other agencies and interests in the conference and lastly nine (9) utilities/parties did not respond. While Staff originally believed a conference would provide an opportunity to examine various rate design proposals, it appears that it may be more appropriate to let the various Delaware utilities determine their paths forward on any new rate designs.

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<sup>2</sup> Transcript, Docket 17-0747, July 27, 2017, page 5

<sup>3</sup> Ibid, page 19

5. The cancellation of this proposed conference eliminates an unnecessary strain on Staff resources, saves ratepayer costs and avoids significant work effort on the part of any utilities wishing to be involved. The same levels of information may well be gained through participation in current industry and regulatory group rate design efforts. Should any of our Delaware utilities seek a new rate design, Staff is well positioned to draw upon the knowledge afforded from Maryland Public Comment Sessions (PC-44), the Pennsylvania *En Banc* Hearing of March 3, 2016, the D.C. MEDSIS Docket (Modernizing the Energy Delivery System for Increased Sustainability), and various Regulatory Assistance Project (RAP), National Regulatory Research Institute (NRRI) and Mid-Atlantic Distributed Resources Initiative (MADRI) reports on rate design.

**WHEREFORE**, in view of the limited interest expressed in participating in Delaware's Technical Rate Design Review Conference, the Staff respectfully requests the Commission vacate its July 27<sup>th</sup> decision in Order No. 9094, close this docket, and not require Staff to hold a Technical Rate Design Review Conference.

Dated: November 17, 2017

Respectfully Submitted,

James McC. Geddes  
Ashby & Geddes  
500 Delaware Avenue  
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Wilmington DE 19899

**EXHIBIT A**

**Howatt, Robert (DOS)**

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**From:** Howatt, Robert (DOS)  
**Sent:** Friday, September 29, 2017 2:26 PM  
**To:** Bill Obrien; Brian Greene; Bruce Burcat; Dave Spacht; Jerry Esposito; Jim Cagle; Kevin McGowan ; Mark Neilson; Michael Messer; Pat McCullar; Sheri Richard; Slater, Andrew C. (DOS)  
**Cc:** Hartigan, Matthew (DOS); Gannon, Patricia (DOS) (patricia.gannon@state.de.us); McDowell, Connie (DOS) (Connie.McDowell@state.de.us); James Geddes  
**Subject:** Rate Design Conference Interest Query  
**Attachments:** ord9094.mis.docx



STATE OF DELAWARE  
**THE PUBLIC SERVICE COMMISSION**  
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September 29, 2017

To all interested parties:

On July 25, 2017, the Delaware Public Service Commission, in response to a Staff petition, approved Commission Order No. 9094 (attached). This Order authorized Staff to conduct an informal technical review of various rate design issues, to understand the technical issues with respect to various rate designs and to report back to the Commission on Staff's findings and recommendations. Throughout the past ten years, Staff, utilities and other parties have had many discussions on different rate design approaches; however, none of them have been adopted. Staff believes it is important to have broad input on any possible rate designs or design issues to ensure that any findings or recommendations may offer opportunity to improve both the utility and customer experience related to rate designs.

In anticipation of hosting this informal technical review in early 2018, Staff would appreciate your input on whether such conference would be of interest to your company, agency or clients, and to what extent you would be able to participate. Staff is interested in determining if there are potential rate design improvements that can be made to benefit both utilities and consumers. To ensure a useful outcome, Staff would request that each of the interested parties actively participate and present their recommended approach to rate design or rate design issues that should have the Commission's future consideration.

While obviously concentrating on regulated delivery utilities, the conference will be an open publicly noticed forum providing any interested companies, agencies or individuals the opportunity to present their views on utility rate designs. The conference will most likely be held in the Wilmington area at a location to be determined.

If you, your company, agency or clients are interested in participating in a Delaware rate design conference and you expect to participate, please let me know on or before Friday, October 13, 2017. RSVP interest or questions may be sent to [Patricia.Gannon@state.de.us](mailto:Patricia.Gannon@state.de.us) or [Robert.Howatt@state.de.us](mailto:Robert.Howatt@state.de.us).

Thank you for your consideration.

Bob Howatt  
Executive Director  
(302) 736-7516

Attachment: PSC Order No. 9094

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